




Frank W. Volk
United States District Judge

Dated: December 3rd, 2019

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF WEST VIRGINIA
AT HUNTINGTON**

IN RE:	LEAD CASE NO. 3:19-bk-30289 <i>Joint Administration</i>
BLACKJEWEL, L.L.C., <i>et al.</i> ,	CHAPTER 11
Debtors.	JUDGE FRANK W. VOLK

**ORDER REQUIRING RESPONSE TO COURT INQUIRY
REGARDING REQUESTED EXEMPTIONS**

Pending are the following matters: 1) Application for Interim Compensation by Berkeley Research Group [dckt. 1240]; 2) Application for Interim Compensation by Whiteford, Taylor & Preston, LLP [dckt. 1242]; 3) Application for Interim Compensation by Squire Patton Boggs [dckt. 1244]; 4) Application for Interim Compensation by Jefferies LLC [dckt. 1246]; and 5) Application for Interim Compensation by Supple Law Office, PLLC [dckt. 1248] (together, the “Applications”). The Applications came before the Court for hearing on November 13, 2019, along with several other matters. At that time, the parties requested that the hearing be continued as to the Applications. The Court approved the continuance and also informed the parties that it would be entering an order requiring explanation as to certain expenses requested in the Applications.

Below are charts, sorted by individual application, which list either fees or expenses about which the Court is concerned. The charts contain the date, amount, and nature of the charge, along with the Court’s specific question regarding that entry.

a. Berkeley Research Group Application

a. Expense Requests

Date of Expense	Nature of Expense	Individual (s) Involved	Amount of Expense	Court's Concern(s)
7.31.2019 – 8.3.2019	Travel	J. Surdoval	\$156	Why was it necessary to park a vehicle at the airport for this time period?

b. Whiteford, Taylor & Preston, LLP

a. Expense Requests

Date of Expense	Nature of Expense	Individual (s) Involved	Amount of Expense	Court's Concern(s)
7.22.2019	Meals	D. Schmizzi	\$40.97	Was this lunch for only one person?
8.6.2019	Meals	Roeschenthaler, Riley, Rapp	\$165.49	This is a large amount for a meal for three people.
8.7.2019	Travel/Lodging	Roeschenthaler	\$445.31	This is expensive for a one-night stay in a Charleston, WV. hotel.
8.7.2019	Travel/Lodging	D. Schmizzi	\$744.15	This is expensive for a one-night stay in a Cincinnati, OH hotel.
8.8.2019	Travel/Lodging	B. Rapp	\$526.12	This is expensive for a one-night stay in a Charleston, WV. hotel.
8.16.2019	Miscellaneous – Videographer at Pax Mine	N/A	\$1,257.75	The Court would like further details about this expense.
8.21.2019	Travel/Lodging	B. Rapp	\$558.54	This is expensive for a one-night stay in a Charleston, WV. hotel.
8.21.2019	Meals	Roeschenthaler, Rapp, Vorsteg	\$206.72	This is a large amount for a meal for three people.
8.22.2019	Meals	Roeschenthaler, Riley, Rapp, Vorsteg	\$192.60	This is a large amount for a meal for four people.
9.5.2019	Miscellaneous – Site Visit to Belle Ayr and Eagle Butte Mines and Videographer	N/A	\$1,679.89	The Court would like further details about this expense.

c. Squire Patton Boggs [dckt. 1244]

a. Expense Requests

Date of Expense	Nature of Expense	Individual (s) Involved	Amount of Expense	Court's Concern(s)
7.2.2019	Travel	K. Arendsen	\$60	This amount was for hotel tips. For how many rooms were tips left?
7.2.2019	Travel	K. Arendsen	\$360.64	At what hotel was this charge, and for how many nights?
7.4.2019	Travel	T. McRoberts	\$904.96	For how many nights was this hotel stay at Delta Hotels?
7.15.2019	Meals	S. Lerner (and FTI Team)	\$264.66	How many individuals were at this dinner?
7.18.2019	Travel	T. McRoberts	\$397.34	For how many nights was this stay at the Charleston T.C. Marriott? Was it necessary to stay at the Marriott?
7.18.2019	Travel	T. McRoberts	\$72	Why was it necessary to park at DFW?
7.31.2019	Travel	N. Hazan	\$982.32	Was this hotel room for one person for one night? Was it necessary to stay at the Westin?
8.2.2019	Meals	J. Hafner	\$245.51	How many individuals were involved in this lunch? This is extremely expensive for one individual meal.
8.2.2019	Travel	J. Hafner	\$616.36	Was this for mileage or a plane ticket?
8.2.2019	Travel	D. Hughes	\$695/28	Was this for mileage or a plane ticket?
8.2.2019	Meals	M. McIntyre	\$39.10	This seems expensive for an individual breakfast meal.
8.5.2019	Meals	N/A	\$378.24	How many individuals were involved in this Jimmy Johns lunch? Also, this appears to have occurred on the same day as the below Jimmy Johns lunch expense. For the days of the Auction, the Court would like a full list of all food and drink provided to the Auction attendees on each day, for each meal.

8.5.2019	Meals	N/A	\$371.78	How many individuals were involved in this Jimmy Johns lunch?
8.6.2019	Meals	K. Arendsen (and FTI Team)	\$200	How many individuals were present at this dinner? Did this occur while the below pizza dinner was happening? Did the FTI Team eat separately from the Auction individuals?
8.6.2019	Meals	K. Arendsen (and Auction Attendees)	\$732	This Dominos Pizza dinner was provided to attendees of the Auction. How many pizzas were ordered and how many individuals were present for the meal?
8.7.2019	Meals	T. McRoberts	\$84.02	This is expensive for one individual meal in Charleston, WV. Additionally, this expense was incurred on the same day as the expense listed below. Was Mr. McRoberts in both West Virginia and Ohio on that day?
8.7.2019	Meals	T. McRoberts	\$67.11	This is expensive for one individual meal in Cincinnati, OH. Additionally, this expense was incurred on the same day as the expense listed above. Was Mr. McRoberts in both West Virginia and Ohio on that day?
8.7.2019	Meals	T. McRoberts	\$45.52	This is expensive for one individual meal. Also, this expense was incurred on the same day as the two above, which brings Mr. McRoberts' meal expenses for that day to at least \$196.65, in two states.
8.7.2019	Travel	T. McRoberts	\$363.08	This is expensive for one hotel room for one night in Cincinnati, OH. Was it necessary to stay at the Westin?
8.7.2019	Travel	T. McRoberts	\$1,608.65	For how many nights is this expense? Also, it appears that Mr. McRoberts has this charge, along with the one above, for a hotel the same night in

				Cincinnati, OH. Perhaps this is just an error?
8.23.2019	Meals	T. McRoberts	\$74.87	This is expensive for one individual meal in Charleston, WV.
8.23.2019	Meals	T. McRoberts	\$42.38	This is expensive for one individual meal in Charleston, WV. After totaling up the above expense, along with the other listed meal expenses for Mr. McRoberts attributed to 8.23.2019, it appears that he spent more than \$200 at locations in Charleston, including Recovery Sports Bar & Grill, Four Points Sheraton, Pies'n Pints, and Starbucks. Please explain the necessity of these charges for a single person in Charleston, W.V.
8.23.2019	Travel	T. McRoberts	\$527	This is expensive for a one-night stay in a Charleston, W.V. hotel.
9.12.2019	Travel	T. McRoberts	\$57	Why was it necessary to park at DFW?
9.12.2019	Travel	T. McRoberts	\$100.67	Why was it necessary to valet park at DFW?
9.12.2019	Travel	T. McRoberts	\$144	Parking at DFW Airport. Why are there three charges totaling more than \$300 for parking at DFW on the same day by the same person? (See the above entries).
9.12.2019	Travel	T. McRoberts	\$416.97	This is expensive for a one-night hotel stay in Charleston, W.V. Was it necessary to stay at the Sheraton?
9.12.2019	Travel	T. McRoberts	\$404.54	This is expensive for a one-night hotel stay in Charleston, W.V. Was it necessary to stay at the Sheraton? Also, this charge appears on the same day as the charge for the Sheraton above. Please explain these two charges.
9.12.2019	Meals	T. McRoberts	\$49.13	This seems expensive for a single meal in Charleston, W.V.

N/A	“Telephone”	N/A	\$22,748.19	What are the nature and purpose of these charges? The Court may require a separate itemization.
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d. Jefferies LLC
a. Expense Requests

Date of Expense	Nature of Expense	Individual (s) Involved	Amount of Expense	Court’s Concern(s)
7.3.2019	Travel Meals	P. Shin	\$44.19	Was it necessary to spend this amount on one meal for one person?
7.3.2019	Travel Meals	R. White	\$63.38	Was it necessary to spend this amount on one meal for one person?
7.11.2019	Travel Meals	R. White	\$100.22	Was it necessary to spend this amount on one meal for one person?
7.11.2019	Transportation	R. White	\$94.94	What is the nature of this expense?
7.12.2019	Transportation	R. White	\$96.58	Why was this transportation necessary?
7.12.2019	Transportation	R. White	\$57.66	Why was this transportation necessary? Also, this entry and the one above were made from, and to, the airport (respectively). What accounts for the drastic difference in charge amount?
7.16.2019	Presentation	B. Ayachi	\$183	Please explain the nature and necessity of this charge.
7.17.2019	Transportation	R. White	\$147.57	Why was this transportation necessary?
7.18.2019	Accommodations	P. Shin	\$107.83 + \$399 \$506.83	Why are there two charges for this hotel stay? How many rooms and how many nights are included? Was it necessary to expend this much for a hotel room?
7.18.2019	Accommodations	R. White	\$399	How many rooms and how many nights are included? Was it necessary to expend this much for a hotel room? Additionally,

				this appears to match part of the charge above for Mr. Shin's hotel room in Cincinnati. What accounts for the \$107.83 difference?
7.18.2019	Accommodations	R. White	\$69.83	Mr. White appears to have two hotel charges for this day; one in Barboursville and one in Cincinnati (see the above entry). Why did Mr. White need two hotels in one day?
7.20.2019	Transportation	R. White	\$86.76	Why was this transportation necessary?
7.21.2019	Presentation	E. Greene	\$318 + \$528 <hr/> \$846	Please explain the nature and necessity of this charge.
7.22.2019	Transportation	R. White	\$69.79	Why was this transportation necessary?
7.24.2019	Transportation	R. White	\$117.18	Why was this transportation necessary?
7.24.2019	Transportation	R. White	\$131.37	Please explain the circumstances surrounding this charge.
7.26.2019	Travel Meals	R. White	\$63.01	This is expensive for a meal for one person in Charleston, W.V.
7.26.2019	Transportation	R. White	\$146.51	Why was this transportation necessary?
7.30.2019	Accommodations	P. Shin	\$53.40 + \$305.10 <hr/> \$358.50	Why are there two charges for this hotel stay? How many rooms and how many nights are included? Was it necessary to expend this much for a hotel room?
7.30.2019	Accommodations	J. Schiff	\$45.33	Why are there two charges for two different hotels (one in Charleston and one in Cincinnati) in one day for Mr. Schiff. Please see the below entry as well.
7.30.2019	Accommodations	J. Schiff	\$259	Please see the above entry.
7.30.2019	Transportation	J. Schiff	\$78.72	Why was this transportation necessary?
7.31.2019	Accommodations	J. Schiff	\$45.33 + \$259 <hr/> \$304.33	Why are there two charges for this hotel stay? How many rooms and how many nights are included? Was it necessary to

				expend this much for a hotel room?
7.31.2019	Transportation	R. White	\$133.85	Why was this transportation necessary? Additionally, there is a charge for \$42 on the same evening for "overtime taxi." This brings the total transportation cost to \$175.85.
8.1.2019	Accommodations	J. Schiff	\$45.33 + <u>\$259</u> \$304.33	Why are there two charges for this hotel stay? How many rooms and how many nights are included? Was it necessary to expend this much for a hotel room?
8.2.2019	Transportation	J. Freund	\$149.03	Why was this transportation necessary? Additionally, Mr. Freund has a total of five taxi transportation charges on this day which add up to \$275.59. Two are listed as "Taxi to Airport." Please provide the Court with more information about these charges and whether one or more might be a duplicate.
8.2.2019	Travel Meals	J. Schiff	\$44.92	This is expensive for one meal for one person in Cincinnati.
8.2.2019	Transportation	R. White	\$178.61	Why was this transportation necessary?
8.3.2019	Transportation	A. Weprinsky	\$48.00	Why was it necessary to incur this parking charge?
8.3.2019	Travel Meals	A. Weprinsky	\$8.22 + <u>\$25.00</u> \$33.22	Why are there two different charges listed for "Overtime Meal Dinner" for Mr. Weprinsky?
8.6.2019	Travel Meals	R. White	\$150.38	Why is the charge for this travel meal so high?
8.7.2019	Transportation	J. Schiff	\$84.31	Why was this transportation necessary?
8.7.2019	Transportation	R. White	\$182.45	Why was this transportation necessary?
N/A	Legal	Sidley Austin	\$5,065	The Court would like a detailed explanation as to why Jefferies LLC's own legal fees to Sidley Austin should be paid as administrative expenses in this

				case. Sidley Austin was not employed as Counsel in this matter.
N/A	Legal	Sidley Austin	\$23,912.90	The Court would like a detailed explanation as to why Jefferies LLC's own legal fees to Sidley Austin should be paid as administrative expenses in this case. Sidley Austin was not employed as Counsel in this matter.

The Court understands that expenses naturally occur during a bankruptcy case, especially during the pendency of a case as frantic and time-consuming as the above-captioned matter. However, it is the Court's duty to the Estate and Unsecured Creditors to question the propriety and necessity for some of these expenses. Accordingly,

IT IS ORDERED that written responses to these inquiries are to be submitted to the Court before the close of business on December 13, 2019. If any party should require an extension, a formal request must be filed. Further discussion about these expenses or any others may occur during the December 18, 2019 hearing on the Applications.

IT IS FURTHER ORDERED that no party will be permitted to bill for time spent preparing the response due on December 13, 2019.